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OPPORTUNITIES AND CHALLENGES FOR EXPANDING RELATIONS BETWEEN THE MONGOLIA AND KAZAKHSTAN

Abstract: Since the establishment of diplomatic relations between Mongolia and the Republic of Kazakhstan in 1991, bilateral relations and cooperation in the fields of politics, trade, economy, science, culture and education have been successful. In the past, the least developed areas of cooperation between the two countries were trade and the economy, and trade turnover was slow. In order to develop this sector, it is necessary to establish the Tsagaannuur Free Trade Zone and reduce transit traffic through Russia and reduce border and customs bureaucracy. As Mongolia intensifies its policy toward Kazakhstan, it will be possible to increase business, trade and economic turnover with Kazakhstan through Central Asia and Eastern Europe. This article aims to assess the current relations and cooperation between Mongolia and Kazakhstan, to discuss opportunities for further expansion in these fields, and ways to address them.

Keywords: Mongolia, Kazakhstan relation, cooperation, expanding

Political cooperation

Mongolia and the Republic of Kazakhstan can be considered to have similar developmental aspects. In the early 1990s, after the collapse of the Soviet Union, the Republic of Kazakhstan gained new independence. Since the establishment of diplomatic relations between Mongolia and the Republic of Kazakhstan on January 22, 1992, bilateral relations and cooperation (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014) have been successfully developed in the political, economic, social and cultural spheres. More than 60 agreements have been signed between the two countries since 1992. These agreements and documents have formed the legal basis for the development of comprehensive relations and cooperation between the two countries.

The Embassy of Mongolia in the Republic of Kazakhstan was opened in Almaty in September 1992 and moved to Astana (now Nur-Sultan) in 2010. In May 1997, the Diplomatic Representative Office of the Republic of Kazakhstan was opened in Ulaanbaatar and in 2007 it was renamed the Embassy of the Republic of Kazakhstan (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

A joint statement issued by the President of Mongolia Nambar Enkhbayar during his official visit to Kazakhstan in 2007 stated that «further development of friendly relations between Mongolia and the Kazakhstan on the basis of broad partnership is in the fundamental interests of our two countries and peoples.»

Among the mechanisms of bilateral relations are: from the Mongolian side, the President of Mongolia N.Bagabandi (1998), the President N.Enkhbayar (2007), the Speaker of the Parliament S.Tumur-Ochir (2003), the Prime Minister P.Jasrai (1994).), Prime Minister U. Khurelsukh (2019) paid high-level visits. The President of Mongolia Ts. Elbegdorj also attended a meeting of Shanghai Cooperation Organization heads of state in June 2017, in Astana (MFA DAFC 2020).

From the Kazakhstani side high level official level, the first President of the Kazakhstani N. Nazarbayev (1993, 1999, 2008), the Prime Minister S. Tereshchenko (1992), the First Deputy Prime Minister B. Sagintayev (2015), the Minister of Foreign Affairs Kasym-Jomart Tokayev (current President) (2006) paid a state visit, and the Prime Minister of the Republic of Kazakhstan K. Massimov (2016) attended the Asia-Europe Meeting Summit (ASEM) in Ulaanbaatar (Ministry of Foreign Affairs DAFC 2020).

The first meeting of the intergovernmental commission was held in Almaty in 1993, and subsequent meetings were held in Ulaanbaatar and Astana (1998, 2004, 2006, 2008, 2014, 2018), respectively (Ministry of Foreign Affairs DAFC 2020). The 8th regular meeting is planned to be held in Ulaanbaatar in 2020 and will be chaired by the Ministry of Labor and Social Welfare.

There is also cooperation between the East Kazakhstan region and the western provinces of Mongolia. In order to deepen economic cooperation between the two countries, the East Kazakhstan region and Bayan-Ulgii aimag regularly have organized mutual visits of their representatives.

The Prime Minister of Mongolia Khurelsukh Ukhnaa paid an official visit to the Republic of Kazakhstan in October 2019 as a result of the invitation of the Prime Minister of the Republic of Kazakhstan Askar Mamin. The mentioned circumstance represents a high-level state visit of the two countries, which took place 25 years after the visit of former Prime Minister P. Jasrai. The purpose of this visit is to expand and intensify Mongolia's foreign policy towards Kazakhstan and Central Asia. During the event, it was announced that an «Intergovernmental Commission Meeting» will be held in Mongolia in 2020, the current trade turnover between the two countries will increase from the current 35 million USD to 130 million USD, legal assistance in civil and criminal matters will be provided, and educational documents will be signed. During this visit some agreements have been reached on the mutual recognition of academic degrees, cooperation in the field of veterinary and quarantine, and the establishment of

fraternal relations between Ulaanbaatar and Nur-Sultan, and the two sides have agreed to further intensify cooperation. During the visit, the Prime Minister of Mongolia was received by Nursultan Nazarbayev, who is the first President of the Kazakhstan and Chairman of the National Security Council. The two sides noted that the level of trade between the two countries is very low, and shared their views on how to further resolve this issue and boost the level of bilateral relations.

Trade and economic cooperation

The trade turnover between Mongolia and the Republic of Kazakhstan does not reach its full potential. In 2011, the trade turnover amounted to 19.2 million USDs. In 2012, the trade turnover amounted to 21.7 million USDs. Mongolia exported 2.5 million USDs worth of goods to the Kazakhstan, while the Kazakhstan exported 19.2 million USDs worth of goods to Mongolia (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

From January to August 2017, Mongolia exported 1,098.4 thousand USDs worth of products to the Republic of Kazakhstan, accounting for 0.0 percent of total exports. Within these same months, in 2018, products worth 1,117.4 thousand USDs were exported, accounting for 0.0 percent of total exports. According to the statistics of the General Customs Administration (GCC) (January 2020), the total trade turnover of Mongolia and the Republic of Kazakhstan is 32.75 million USDs. From Mongolia exports in 2019 were 6.1 million USDs, and the main export products were horse meat, carpets and rugs. The imports from Kazakhstan to Mongolia in 2019 were 26.65 million USDs with the main imports being bakery products, rice and cigarettes (Ministry of Foreign Affairs DAFC 2020).

Between 1990 and 2019, the total investment was 25.0 million USDs and it's include 44.7 percent of the total investment is in the banking and financial sector, 37.6 percent in the trade and catering sector, 8.8 percent in the geological and mining exploration and mining sector, and 2.8 percent in the food production sector. Kazakhstan has established a total of 74 enterprises with 100 percent and joint investment (Ministry of Foreign Affairs DAFC 2020). There are currently no loans between the two countries.

During President Nazarbayev's visit to Mongolia in 1999, the Kazakhstani government supplied 5,000 tons of wheat to Bayan-Ulgii aimag, and in 2020, 370 tons of flour. In spring 2007, 370 tons of elite seeds were supplied, while in 2011, 25 train or 1,500 tons of rice were supplied. In addition, 200,000 USDs was donated in 2016 and 500,000 USDs in 2018 in connection with the floods in Bayan-Ulgii aimag, one of the western aimags of Mongolia (Ministry of Foreign Affairs DAFC 2020).

Trade turnover between the two countries 2013-2019 / USD /

	Export	Import
2013	572.000	34.2
2014	4.8 million	29.4
2015	2 million	29.2
2016	709.400	29.7
2017	2.4 million	34.2
2018	3.5 million	32.18
2019	6.1	26.65

Data source: Ministry of Foreign Affairs, Department of Asia Pacific Countries (MFA DAFC) 2020, “Brief overview of between Mongolian and Kazakhstan ”

From the Kazakhstan to Mongolia imports pipe tobacco, hygiene products, laundry facilities, wheat, rye flour and food products, while Mongolia exports to the Kazakhstan livestock products such as meat, leather, textiles, wool and cashmere (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014). For example, in April 2019, Mongolia exported 36.1 thousand USDs worth of wool and cashmere products to the Kazakhstan, while the Kazakhstan exported 7.6 million USDs worth of tea, vegetable oil, cotton and food products to Mongolia (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

The majority of Mongolia’s foreign trade turnover is with China, South Korea, Japan and Russia, which shows that Mongolia lacks trade and economic relations with Kazakhstan and Central Asia.

During his visit to the Kazakhstan in October 2019, the Prime Minister of Mongolia Khurelsukh Ukhnaa organized a business forum at the Astana International Financial Center with the participation of governments, entrepreneurs and representatives of more than 60 business organizations from Mongolia and the Republic of Kazakhstan. More than 200 reputable business representatives from the Kazakhstani side participated in the business forum. Within the framework of the agreement to build and operate a gold refinery, the Kazakhstani government provided for Mongolia with a technology patent worth 30 million USDs, 25 tons of gold and 50 tons of silver per year with a refining capacity of 99.99 percent, purchased from the Netherlands three years ago.

Education, culture and humanitarian cooperation

In the field of culture, education and science, Mongolia has established diplomatic relations with the Kazakhstan and signed educational and scientific agreements, which is a key factor in deepening friendly relations, mutual understanding and fruitful cooperation between the two peoples. The number of Mongolian students studying in

the Kazakhstan has increased dramatically in recent years due to the increase in the number of Mongolian applicants for scholarships provided by the Government of the Republic of Kazakhstan to ethnic Kazakh students abroad. Relations and cooperation between the two governments in the fields of education, culture and science have been improving year by year (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

In recent years, the number of students from Mongolia in the Republic of Kazakhstan is expected to increase dramatically. According to the Kazakhstani Ambassador in Ulaanbaatar (speech of Kalybek Koblandin 2018), the number of Mongolian applicants to study in the Kazakhstan is growing every year. More than 100 students apply to more than 20 universities in Kazakhstan every year. As of 2017, there are 490 bachelor students applying in Kazakhstan and also 14 students get on government scholarships from Kazakhstan (Ministry of Foreign Affairs DAFC 2020).

Within the framework of scientific cooperation between the two countries, the Institute of History and Archeology of the Mongolian Academy of Sciences in cooperation with the Institute of History and Ethnography of Kazakhstan conducts ethnographic and archeological research in Mongolia to study ancient Turkic monuments in Mongolia (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

As part of strengthening bilateral educational cooperation, the Ministry of Education, Culture and Science of Kazakhstan has developed more than 9,600 manuals and textbooks on Kazakh language promotion in Mongolia since 2003. In March 2006, the National Library of the Republic of Kazakhstan donated a book of humanitarian aid to the Central Library of Bayan-Ulgii aimag within the framework of the UNESCO International Cluster Project.

In August 2008, the two countries signed an agreement regarding educational cooperation by the Ministry of Education, Culture and Science. The agreement provides for cooperation and exchange in the field of education, exchange of experience in education planning and management, exchange of students and researchers in accordance with bilateral agreements, promotion of direct communication and cooperation among educational institutions of the two countries. In recent years, the number of students from Mongolia studying at universities in the Kazakhstan has been increasing (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

In June 2015, the book «Time and Thought» by the first President of the Republic of Kazakhstan Nursultan Nazarbayev was translated into Mongolian language. In November 2015, from the Embassy of Kazakhstan translated the book «Abay's Way» were translated to Mongolian language on the occasion of the 170th anniversary of the great Kazakh writer and philosopher Abai Kunanbayev.

Additionally, an agreement on cooperation in the study of historical and cultural monuments was signed on July 2nd, 1997 among the Mongolian Academy of Sciences,

the Ministry of Science of the Republic of Kazakhstan and the National Academy. The text stipulates further cooperation and assistance between the two countries in the field of history and culture, and agreed to cooperate in the following areas. These include: joint study of historical sources related to the history of the peoples of Mongolia and the Republic of Kazakhstan, exchange of researchers, training of personnel in the field of history, archeology, ethnography, linguistics, and ancient Turkic inscriptions located in Mongolia. including research.

In 1998, the President of the Mongolian Academy of Sciences B.Chadraa and the President of the National Academy of Sciences of Kazakhstan VS Shkolnik signed a cooperation agreement with the Mongolian Academy of Sciences and the National Academy of Sciences of the Republic of Kazakhstan (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014).

In May 2014, the Ministry of Foreign Affairs of the Republic of Kazakhstan organized an international scientific conference “Mongolia-Kazakhstan: Common History, Culture and Ethnicity” in Almaty. He spoke on strengthening cultural ties between the two countries, the 13th and 14th centuries of the Mongol Empire and Turkish culture, linguistics, diplomatic relations, ethnography, Turkish-Mongolian architecture in Central Asia, and Turkic civilization.

On June 12, 2015, the Mongolian Academy of Management organized a roundtable in Ulaanbaatar have organized the 20th anniversary of the adoption of the Constitution of the Republic of Kazakhstan. On May 15, 2015, in accordance with the Agreement on Scientific Cooperation, a roundtable was organized in Ulaanbaatar in cooperation with the Institute of International Relations of the Mongolian Academy of Sciences on the occasion of the 550th anniversary of the Kazakh Empire. The conference was attended by scientists from Al-Farabi University of the Republic of Kazakhstan.

Mongolia In February 2017, representatives of the Government of Mongolia and the Academy of Management visited Astana and signed a bilateral cooperation document with the Academy of Public Administration of the Republic of Kazakhstan.

On March 29, 2018, the head of the International Turkic Academy met with the Minister of Labor and Social Welfare of Mongolia and agreed to strengthen science cooperation. In this context, it was agreed to conduct archeological excavations in cooperation with the Mongolian team , and to carry out the protection, promotion and research of museum exhibits on the basis of agreements concluded with the Mongolian authorities (Mongolia-Kazakhstan 20 years: Friendly Cooperation 2014). Also included in 2018-2020, there is the study of the 6th-8th century culture of the Shiveet Ulaan complex, a joint study of the tomb of Jochi Khan in the Republic of Kazakhstan, and the restoration and preservation of ancient Turkic archeological finds at Maikhan Uul (Shatirta). In June 2018, a delegation led by the President of the Mongolian Academy

of Sciences, D. Regdel, participated in the Third International Humanitarian Forum in Astana and signed a decision to establish the Altai, Turkic and Mongol Studies Association at the Turkic Academy. The document provides for the organization of international scientific conferences, joint expeditions, exhibitions, book launches, presentations, and the celebration of historical events related to Altai, Turkic, and Mongol studies.

Opportunities and Challenges for Expanding cooperation between the Mongolia and Republic of Kazakhstan

The Republic of Kazakhstan is one of the countries in the Eurasian continent with enormous natural resources, geopolitical significance, economic, and political stability, and active participation in regional and international activities. In terms of natural resources, geographical location and geopolitical interests, Kazakhstan and Central Asia are increasingly interested in the world's major powers. The main exports of the Republic of Kazakhstan to the world market are mining products, fuels, raw materials for the metallurgical and chemical industries.

According to the structure of Kazakhstan's exports, oil and its products account for 35 percent, non-ferrous metals for 17 percent, ferrous metals for 16 percent, ore for 12 percent, grain for 9 percent, and the other 11 percent in 2019.

During the visit of the Prime Minister of Mongolia in October 2019, a business forum was organized between the two countries. During the this forum, the foreign trade turnover of the two countries was argued, including the construction and commissioning of a gold and silver refinery, the establishment of a ferrosilicon plant in Mongolia, mutual understanding in the business sector, cooperation memorandums, air technical services and flight crew training. , “Development of cooperation on export testing, quarantine and biological preparations”, “Investment in the production of quarantine preparations and the establishment of a training center for quarantine staff”, “Cooperation in certification of management systems on the basis of international standards” Memorandums of understanding were signed on “Registration and introduction of medicines and medical products for sale in the territory of Mongolia” and it was agreed to cooperate in the future (Ministry of Foreign Affairs DAFC 2020).

In 1991, the Republic of Kazakhstan seceded from the Soviet Union and declared its independence. Since then, a great deal of work has been done in the Republic of Kazakhstan to lay the foundations for political, social and economic reform and democracy. One of them was the policy of changing the ethnic composition of the population, which required a great deal of effort on the part of the government. At that time, Kazakhs accounted for only 39.7% of the total population (Dave, Bhavna, and Sinnott, Peter, 2002), and the vast majority of the population (60.3 percent) was made up of non-Kazakhs.

Therefore, the goal of the government's «comprehensive demographic policy» was to repatriate Kazakh-speaking compatriots living abroad in their «historical homeland» in order to increase the size of the Kazakh population in the total population. The policy of repatriating Kazakhs to their historical homeland is not to return Russian-speaking Kazakhs to the former Soviet Union, but to bring back to Kazakhstan Kazakhs who speak Kazakh fluently and have preserved their traditional culture and customs in neighboring and foreign countries (Amangul Shugatai 2019).

Mongolia was one of the first countries to recognize the independence of the Republic of Kazakhstan and establish diplomatic relations. Therefore, within the framework of the migration policy implemented by the Government of Kazakhstan, Kazakh citizens of Mongolia, who have well preserved their language, culture and customs, were involved in the migration (Amangul Shugatai 2019). In September 1991, a joint labor agreement was signed between the Ministries of Labor of Mongolia and Kazakhstan for the employment of Kazakh citizens of Mongolia in the Republic of Kazakhstan for a period of five years. According to the labor agreement, Kazakh citizens from Mongolia will go to work in the collective farms of Kazakhstan. Thus began the process of migration of Kazakhs from Mongolia to Kazakhstan, and thus began the first large huge transnational migration was started between the Mongolian and Kazakhstan. Between 1991 and 1993, about 60,000 people (more than 20,000 of them able-bodied) from 12,257 households migrated from Mongolia to Kazakhstan under employment contracts (Amangul Shugatai 2019).

In order to support regional cooperation between Mongolia and Kazakhstan, the most important conditions for our country are transportation and logistics. As a member, Kazakhstan has stated that it will discuss the Eurasian Economic Cooperation Association (June 2019). Therefore, there is an opportunity to intensify cooperation between Mongolia and Kazakhstan in the agricultural sector. For example, there is an opportunity to supply agricultural hides and skins and meat products to the market of Kazakhstan. However, domestic companies in Kazakhstan announced at a business forum during the Prime Minister's visit that Kazakhstan has the potential to supply grain, bakery products, rapeseed and vegetable oils to the Mongolian market.

Mongolia and Kazakhstan are geographically limited to about 60 kilometers (natural borders) and are close enough to be Mongolia's third neighbor. Mongolia and Kazakhstan have stated their readiness to supply public transport in all weather conditions due to similar natural conditions. In addition to these factors, nomadic pastoralism and cultural similarities are key factors in expanding bilateral relations and cooperation.

In the future, in order to expand Mongolia's relations and cooperation with Kazakhstan, it is important to establish and put into operation the Tsagaan Nuur Free Trade Zone. Thus, the connection of the western region of Mongolia with the AN4

highway will contribute to the development of the western region with Kazakhstan through the establishment and operation of the Tsagaan Nuur Free Trade Zone. This vertical axis of the western infrastructure region will create an important mechanism that will play an important role in the development of not only the three countries, but also the Eurasian region. This issue was clearly discussed during the visit of Minister U.Khurelsukh (October 2019) and the parties agreed to implement it.

One of the sectors that has attracted the attention of researchers in recent years is the development of cross-border tourism. Another factor is the development of cross-border tourism in the western region of Mongolia (Russia, China, Kazakhstan). Researchers believe that the establishment of a western economic corridor in Mongolia will play an important role in the development of cross-border tourism. Therefore, the AN4 route of the Asian Integrated Road Network, which is the route of Mongolia's western corridor, is an important transit route through Urumqi, Uighur Xinjiang, China, passing through Khovd province and reaching Ulgii, Tsagaannuur Free Zone and Novosibirsk, Russia. With the solution of transport and infrastructure issues in this region, the provinces, aimags and cities of Russia, China, Mongolia and Kazakhstan surrounding the Mongol Altai Mountains are home to people of the same language, culture, ethnicity, customs and ancient traditions. This creates opportunities for tourism development between the two countries.

Conclusion

Although it has been almost 30 years since the two countries established diplomatic, trade, and economic relations they have slowed down and not reached the expected level. Therefore, in recent years, it has become important to improve the gap related to the trade turnover and intensify Mongolia's foreign policy towards Kazakhstan and Central Asia.

The visit of the Prime Minister of Mongolia U. Khurelsukh in October 2019 was a significant boost to bilateral relations. As a result of the visit, the two leaders agreed to intensify inactive trade and business policies, weaken bilateral efforts and lack of mutual information, and seek to take bilateral relations to a new level.

The migration of Kazakhs from Mongolia, which began in the early 1990s, continues to this day. The number of people involved in the migration is unknown and there is a lack of research materials. "For example, there is a lack of detailed official data related to aimags in Mongolia, such as: the year of migration; their age, sex, occupation, education etc; how many of them have returned to Mongolia; and the exact number of dual nationals in the country".

The professional structure of Mongolian graduates studying in Kazakhstan is unclear and statistics are scarce. It is important to train qualified personnel to meet the

needs of our country's labor market. For example, increasing the number of mining and agricultural heavy machinery and specialized engineers in scholarship programs is effective in enhancing educational cooperation.

Agreements have been reached on scientific cooperation between the two countries, but there is no active research cooperation, such as joint research by scientists and the publication of scientific conferences. Therefore, the active participation of researchers and scientists from both countries in the future scientific cooperation between the two countries will be a real result.

Finally, Mongolia has not been able to make full use of its potential for economic, tourism and investment cooperation with Kazakhstan. In the past (until 2019), there were no direct flights between the two countries for many years, which led to the inactivity of relations and cooperation.

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